

EXHIBIT A

Great Wall Asset Management Company Encounters Avoidance of Huge Debt

April 29, 2006

【Source: The Economic Observer】 【Author: Ma Yi】

After taking the commercial road for disposing with non-performing assets, an asset company can end up on the entire non-performing asset disposition market. But as soon as an error occurs, it will suffer its own loss and the government will not pay the bill for any loss anymore.

Now, Great Wall Asset Management Company has encountered the “largest loss of state owned asset”—since this asset was acquired commercially then, if the debt cannot be recovered, Great Wall will also have a book loss.

Genesis

On April 20, the annual international kite festival at Wei Fang, Shandong Province was unveiled.

Kan Huimin, senior manager of the Qingdao project department of Great Wall Asset Management Company, came to Wei Fang again. It was only several days ago that he made his last trip here.

Just before last October, Kan Huimin was still senior manager of the Changchun Office of Great Wall. The local policy related business had been basically completed. In October, when Great Wall commercially acquired from Xin Da Asset Management Company suspicious asset packages from the former Bank of China, Kan Huimin and more than 20 of his former colleagues at the Changchun Office came together to Qingdao.

In Shandong Province, Kan Huimin encountered the “largest loss of state owned asset since Great Wall began to dispose of non-performing assets” and “possibly the largest loss of state owned asset among four asset management companies.” Wen Xiantang, director of the information section of Great Wall, added.

Kan Huimin and his colleagues had collected materials that were several feet high, to prove how the debtor “systematically staged a large scale debt avoidance action.”

Information collected by Great Wall shows that debtor Xin Li Ke (Group) Co., Ltd., of which Wei Fang State Owned Asset Management Bureau held 99% shares, was a locally well known state owned enterprise. Although it had a registered capital of only 360 million Yuan, relying on bank loans, its total assets once were as high as 3.8 billion Yuan. At the peak, it possessed 3.1 billion Yuan in loans from various financial institutions. Using such loans, Xin Li Ke formed more than 20 subsidiaries or holding companies both at home and abroad one after another. Although Xin Li Ke the parent company has been insolvent for a long time, this company, which is basically a shell of its former self, currently still is liable for a huge loan of 3.613 billion Yuan.

Although the details vary, based on the current evidence already in the hands of Great Wall, the path that Xin Li Ke took to avoid debt through bankruptcy can be roughly described as follows: the parent company went to banks for loans, and the subsidiaries were used as mortgages. Subsequently, the subsidiaries went bankrupt one after another, finally leaving creditors unable to obtain substantive protection for their assets.

In a few years, about a dozen enterprises of Xin Li Ke went bankrupt one after another, and they even include a joint venture plastic company that has an annual revenue of about 200 million Yuan and a profit of 30 million Yuan and that is still operating normally now.

Miscalculation

On April 20, this journalist came to the headquarters of Xin Li Ke in an attempt to learn whether Xin Li Ke’s “debt avoidance through bankruptcy” as alleged by Great Wall was consistent with the facts, but it was alleged that none of the company officials were there. Wang Duo, chairman of the board and legal representative of Xin Li Ke, was reluctant to make any comment on the matter during a cell phone call.

“Out of consideration for the local financial stability, currently, no investigation has been conducted in the state owned asset loss caused by Xin Li Ke’s debt avoidance reported by Great Wall.” Wang Wangzhong, deputy director of Wei Fang Committee on Economic Cooperation and Foreign Trade, said. The Committee on Economic Cooperation and Foreign Trade is the supervisory organization above the local state owned enterprises.

“The priority of the government is to assist Great Wall in resolving the debt claim and debt dispute. Although from the perspective of the public interest, the actions of Xin Li Ke may be more serious.” Yang Zizheng, deputy director of the Office of Financial Securities of the City of Wei Fang, said.

Currently, a hotel and amusement park belong to Xin Li Ke that have been involved in the debt claim of Great Wall have entered bankruptcy proceedings. Great Wall is making rounds of visits with the City of Wei Fang government and courts for the purpose of preventing bankruptcy with all of its might. Great Wall has indicated to the courts that “Xin Li Ke is falsely bankrupt, so the reasons for the bankruptcy do not exist. The bankruptcy proceedings should be ceased.”

After a coordination meeting by competent departments of the City of Wei Fang government, including the Committee on Economic Cooperation and Foreign Trade, the Financial Office and the courts, the mayor of Wei Fang has issued these instructions: "The bankruptcy proceedings cannot be ceased in the absence of a result of coordination. Compensation should be given to Great Wall as much as possible."

"In our past experience, it can be basically ascertained that once bankruptcy proceedings are entered, we may not be able to recover anything." Kan Huimin told this newspaper. "Therefore, a solution must be found outside the bankruptcy proceedings to recover the collaterals that Xin Li Ke pledged for the loans."

According to the introduction, when consideration was given to whether acquire this asset, Great Wall saw a mortgage document signed between the Bank of China and Xin Li Ke, stating that if repayments could not be made in time, the hotels or amusement park of Xin Li Ke would be used as mortgages. It was for this reason that Great Wall decided to purchase such a suspicious non-performing bank loan for more than 500 million Yuan.

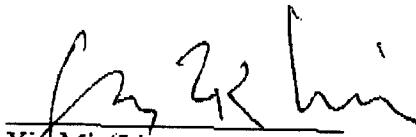
"But Great Wall did a significant miscalculation in this deal. After commercial acquisitions were adopted, if an asset purchased has any problem, the loss can only be borne by the company itself." An official with the City of Wei Fang government said.

I, Xin Min Liu, being of full age and being of sound mind, depose and say the following, upon personal knowledge:

I have twenty-four years of experience as a translator (approximately 300 assignments with a source word count of 1,000,000 words), with five years experience as a translator at the United Nations prior thereto. I have been fluent in Chinese for over forty years. I am employed by Transperfect Translations International Inc., headquartered in New York, New York.

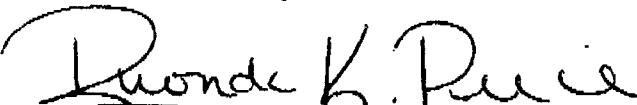
I have read the Chinese version of the document identified below and translated the document into English. I hereby certify that the following document is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English.

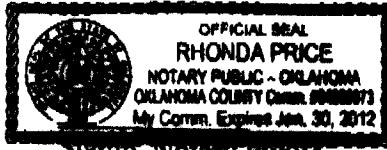
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Xia Min Liu

Sworn to before me this

14th day of May 2008


Signature, Notary Public



Stamp, Notary Public

长城资产管理公司遭遇巨额逃债

2006 年 04 月 29 日

【来源：经济观察报】 【作者：马宣】

在走上商业化处置不良资产之路后，资产公司可以在整个不良资产处置市场，但是，一旦出现失误，自负盈亏，政府将不再为任何损失买单。

现在，长城资产管理公司就遇到了一笔“公司成立以来最大金额的国有资产流失案”——由于这笔资产当时是通过商业化方式收购的，如果不能追回债权，长城也将出现账面损失。

事发

4 月 20 日，山东潍坊一年一度的国际风筝节开幕。

长城资产管理公司青岛项目部的高级经理阚惠民，又一次来到潍坊。上一次他来这里，就在几天之前。

去年 10 月份之前，阚惠民还是长城长春办事处的高级经理。当地政策性业务已经基本完成。2005 年 10 月，当长城从信达资产管理公司手中商业化收购了原中行的可疑类资产包后，阚惠民和其他原来长春办事处的 20 多位同事一起来到青岛。

在山东，阚惠民遇到了“长城不良资产处置历史以来最大金额的国有资产流失案”，“也很有可能是四家资产管理公司中最大的国有资产流失案。”长城新闻处文显堂处长补充说。

阚惠民和同事已经搜集了半人高的资料，来证明债务人是如何“有计划地实施了大规模的破产逃债行动”。

长城收集的资料显示，债务人新立克(集团)有限公司，由潍坊国有资产管理局持股 99%，是当地知名的国有企业。它虽然注册资本只有 3.6 亿元，但依靠着银行贷款，总资产曾高达 38 亿元。最多时曾占用各金融机构贷款 31 亿元，利用这些贷款，新立克先后在国内外

投资组建了 20 多个子公司或控股公司。尽管母公司新立克早已资不抵债，但就是这个基本已是空壳的公司，目前仍承担着 36.13 亿元的巨额贷款。

尽管在细节上千差万别，但根据长城目前已经拿到的证据，可以大致描画出新立克破产逃债的路径：由母公司出面向银行贷款，儿子或孙子公司做抵押，随后儿孙辈公司相继破产，最后导致债权人资产无法得到实质保护。

几年间，新立克旗下十几户企业相继破产，其中甚至包括一家年收入 2 亿元左右，利润 3000 万元，且目前仍在正常经营的合资塑胶公司。

失算

本报记者 4 月 20 日来到新立克总部，试图了解长城所述新立克“破产逃债”是否符合事实，但公司所有领导都被宣称不在。新立克董事长兼法人王铎在手机中不愿对这件事发表任何看法。

“出于当地金融稳定的考虑，目前还没有对长城反映的关于新立克逃债而导致国有资产流失一事做调查。”潍坊经贸委副主任王万忠说。经贸委是当地国有企业的主管上级单位。

“政府当务之急是协助长城解决债权债务纠纷，尽管从社会利益来看，新立克的行为可能更加严重。”潍坊市政府金融证券办公室杨子正副主任说。

目前，涉及到长城债权，新立克下属的一家酒店和游乐园已经进入破产程序。长城正在潍坊市政府和法院四处走访，目的是尽一切力量阻止破产。长城已向法院表示，“新立克为虚假破产，故破产理由不存在，应当中止破产程序”。

潍坊市政府相关部门，包括经贸委、金融办及法院在开会协调后，潍坊市市长已经做了批示，“在协商没有结果的情况下，不能中止破产程序。只能在破产程序内，尽量给予长城补偿。”

“根据以往经验，基本可以肯定的是，一旦进入破产程序，我们可能颗粒无收。”阚惠民

告诉本报，“所以一定在破产程序外解决，要回新立克在贷款时所承诺的抵债品。”

据介绍，当时在考虑是否收购这笔资产的时候，长城看到了中行与新立克签署的一份抵债文件，称如果不能按时偿款，可以用新立克下面的酒店或游乐园抵债，所以长城才决定花5个多亿买下了这笔可疑类银行不良贷款。

“但长城在这笔买卖中明显有些失算，实行商业化收购后，如果买来的资产出现问题，损失只能由公司自己承担，可能还要追究责任人”，潍坊市政府一位官员说。